

Message Text

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PAGE 01 GENEVA 06989 161114Z
ACTION IO-14

INFO OCT-01 ISO-00 EB-08 TRSE-00 OMB-01 CIAE-00 INR-07
NSAE-00 ABF-01 L-03 PC-01 AID-05 IGA-02 /043 W
-----050944 161253Z /50
R 161042Z AUG 77
FM USMISSION GENEVA
TO SECSTATE WASHDC 325

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E.O. 11652: NA
TAGS: AOGR ISVS
SUBJ: LIQUIDATION OF ISVS

REF: A. 76 STATE 070411, B. 76 GENEVA 1461, C. 76 GENEVA 4492

1. MISSION HAS RECEIVED NOTE FROM INTERIM BOARD FOR LIQUIDATION OF ISVS, REFERRING TO LETTER OF ACTING U.S. PERMANENT REP TO CHAIRMAN OF BOARD DATED MARCH 24, 1976 (WHICH FORWARDED CONTRIBUTION OF \$25,000 TOWARD LIQUIDATION OF ISVS OBLIGATIONS), AND RECALLING THAT SINCE SEPTEMBER 1976 BOARD HAS MADE EVERY EFFORT TO COLLECT FROM PARTIES CONCERNED THE FUNDS NEEDED TO PAY OFF ACCUMULATED ISVS DEBTS. THUS "A CONSIDERABLE PART" OF ESTIMATED TOTAL LIQUIDATION COSTS OF APPROXIMATELY SWISS FRANCS 900,000 HAS BEEN RAISED, ACCORDING TO NOTE. THIS HAS ENABLED INTERIM BOARD TO MEET FULL COST OF PERSONNEL REDUNDANCY SCHEME AND TO SUBSTANTIALLY REDUCE BANK DEBT.

2. FURTHER CONTRIBUTIONS RECEIVED AFTER OCTOBER 31, HAVE REDUCED SUM STILL REQUIRED TO APPROXIMATELY SWISS FRANCS 140,000, INCLUDING INTEREST ON BANK DEBT AND SOME ON-GOING ADMINISTRATIVE EXPENSES. BOARD IS MAKING "LAST EFFORT" TO COLLECT THESE FUNDS BY AGAIN APPROACHING ISVS COUNCIL AND ASSEMBLY MEMBERS. IT PLANS TO "FINALIZE

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PAGE 02 GENEVA 06989 161114Z

LIQUIDATIONS" OF ISVS BY END OF OCTOBER. IF FUNDS RECEIVED BY THAT DATE ARE INSUFFICIENT TO COVER REMAINING DEBT, ISVS WILL FIND ITSELF IN "DE FACTO POSITION OF BANKRUPTCY". WHILE SPECIAL STATUS ACCORDED ISVS BY SWISS GOVERNMENT PRECLUDES CREDITORS FROM TAKING LEGAL ACTION, BOARD CONSIDERS THAT SUCH A SITUATION (I.E., OF BANKRUPTCY) WOULD BE HIGHLY EMBARRASSING TO BOTH ISVS MEMBERS AND HOST COUNTRY,

AND SHOULD BE AVOIDED.

3. THUS BOARD, WHILE MOST GRATEFUL FOR EARLIER VOLUNTARY
U.S. CONTRIBUTION FROM ACTION/PEACE CORPS, AGAIN APPEALS
TO USG FOR SUPPLEMENTARY VOLUNTARY CONTRIBUTION TOWARD ISVS
LIQUIDATION FUND.

4. MISSION WOULD APPRECIATE RECEIVING DEPARTMENT'S INSTRUCTIONS AS TO RESPONSE TO BE GIVEN INTERIM BOARD. SORENSON

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Message Attributes

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Control Number: n/a
Copy: SINGLE
Sent Date: 16-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
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Disposition Reason:
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ISecure: 1
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Subject: LIQUIDATION OF ISVS
TAGS: AORG, ISVS
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